FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
COUNCIL CHAMBER
Thursday, February 16, 2017
7:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 7:10 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

Pastor Elder Sims provided the invocation.

4. **REVIEW OF AGENDA**

Council Member Campbell questioned the process for Council Member Requests, noting that Item 11 C , his request is on the agenda, therefore he ask that it be removed. He questioned if the public will have the chance to speak on those item. Mayor Rubio explained that Council Member requests are carried over from the previous meeting and are on the agenda, as agreed by the Council during Strategic Planning Session to allow a discussion only to add the items to the workload on future agendas. There are no staff reports, there is no discussion of the merits. If members of the public want to comment on these items, they can do it during the regular Public Comment. Council Member Campbell spoke to the resolution and disagreed with Mayor Rubio's interpretation and they agreed to discuss their differences separately.

5. **PUBLIC COMMENT**

6. **PUBLIC AGENCY COMMUNICATIONS**

No public agencies were present.

7. **PRESENTATIONS**

8. **CONSENT CALENDAR**

Items D, E and F were pulled for consideration.

On motion by Mayor Pro Tem Alexander, seconded by Council Member Pacheco and passed by the following vote, the City Council approved the Consent Calendar with the exception of Items D, E and F.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco

AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

A. <u>APPROVE THE MINUTES FROM THE FEBRUARY 2, 2017 MEETING</u>

Action: Approved

B. <u>APPROVE AND FILE CITY CHECKS - CONTINUED FROM FEBRUARY 2, 2017 MEETING</u>

Action: Approved

C. <u>APPROVE AND FILE CITY CHECKS</u>

Action: Approved

D. <u>APPROVE RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO RANDAZZO ENTERPRISES, INC. IN THE AMOUNT OF $87,000 FOR THE EMERGENCY REMOVAL OF THE OVERHEAD ROAD SIGN AT LIGHTFIGHTER DRIVE.</u>

Council member Pacheco questioned who the responsible entity would be for sign removal between the City or FORA. City Engineer Riedl indicated that Seaside is responsible for the roadway and structures but FORA may reimburse for emergency items, which this is considered. On question, he indicated it is not Cal Trans responsibility either. A letter has been submitted to FORA requesting reimbursement and a formal determination is expected by the March 10 Board meeting.

Mayor Rubio invited comments from the public.

- Felix Bachofner indicated that the sign removal was an approved item in 2014, fully funded by FORA and questioned why it had not been done previously, why it is not fully funded today and why the cost now is only half of the actual costs of removal proposed in 2014. He believes the sign, being made of the highly valuable steel should actually be a revenue generator for the contractor but does not see that incorporated into the contract. He suggested it be repurposed as a way finding sign instead of removing.

<u>On motion by Council Member Pacheco and seconded by Mayor Pro Tem Alexander and passed by the following vote the City Council approved a resolution awarding the contract to Randazzo Enterprises to remove the overhead road sign at Lightfighter Drive.</u>

RESULT:	**Approved**
MOVER:	Council Member Dave Pacheco
SECONDER:	Mayor Pro Tem Dennis Alexander
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

E. <u>ADOPT A RESOLUTION APPROVING CONTRACT FOR $24,950 WITH THE LEW EDWARDS GROUP</u>

Mayor Rubio invited comments from the public.

- Felix Bachofner spoke to items E and F together, regarding the polling of citizens. He questioned if it was a push poll, and r who is involved in the generation of the poll. He requested a citizens advisory group to assist with poll development.

City Manager Malin indicated that it is not a push poll, but an instrument crafted by professionals in the field, and with the short time frame to garner feedback on the idea of taxation of cannabis businesses and the upcoming timeline for Council approval to put the measure on the June ballot, his request would be counterproductive.

On motion by Council Member Pacheco and seconded by Council Member Campbell and passed by the following vote the City Council Approved items E and F as presented.

RESULT:	**Approved**
MOVER:	Council Member Dave Pacheco
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	Non

F. ADOPT A RESOLUTION APPROVING CONTRACT FOR $26,399 WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES

Action: Approved

9. BUSINESS ITEMS

A. RECEIVE PRESENTATION OF THE JUNE 30, 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT, THE SINGLE AUDIT REPORT, THE GOVERNANCE LETTER AND THE GANN LIMIT REPORT AND ACCEPT AND FILE THE REPORTS

Deputy City Manager Hodgson indicated that the annual audit for 2015-16 has been completed, with positive news in the general fund ending with a surplus. There were two accounting issues reflected in the governance letter and single audit report, to which she indicated the procedures have been corrected and will not reoccur. Mr. Richard Gonzales, principal with Clifton, Larson, Allen (formerly Galina) presented four reports, including the Comprehensive Annual Financial Report (CAFR). It is the financial report for the City, with statistics, and budget schedule. He noted that this is the first time Seaside issued a CAFR and was impressed the quality product. He noted that the opinion letter was an unmodified (clean) opinion, and if there is any section to read is the MDNA, which summarizes what happened during the year and any changes. Mr. Gonzales answered questions from the Council.

Mayor Rubio Invited comments from the public and had no requests to speak.

On motion by Mayor Pro Tem Alexander, seconded by Council Member Pacheco and passed by the following vote the City Council accepted and filed the June 30,2016 Comprehensive Annual Fiscal Report, Single Audit Report, Governance Letter and Gann limit report as presented.

RESULT:	**Passed**

MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

B. RECEIVE THE 2016-2017 MID-YEAR BUDGET REPORT, ACCEPT AND FILE THE REPORT, PROVIDE DIRECTION TO STAFF AND CONSDER ADOPTION OF A RESOLUTION APPROVING THE PROPOSED 2016-2017 MID-YEAR BUDGET ADJUSTMENTS

Deputy City Manager Hodgson reported on the mid-year budget status detailing the revenues increase and changes to the expenses so far this fiscal year and spoke to why she believed the changes were impacted. She indicated that the most substantial impacts were due to the wild land fire expenditures and reimbursements, sales tax revenues increases, litigation settlement payments. Expenditure increased from the general fund were looked at by classification. The resulting net impact was adding $102,000 to the reserves. Mrs. Hodgson answered questions from the Council.

Council Member Pacheco spoke to the increase of expenditures that may be ongoing and questioned if we can cover those ongoing increases to which Ms. Hodgson indicated that the 2017-18 budget review is coming up, however the revenue increase should be ongoing therefore she believes they can be sustained.

The City Council discussed overtime costs at the fire department, wild land fire expenses and revenues, the Sand City lawsuit reimbursement, police department reserve costs, impacts and details for the branding program, fort Ord monument signs, water system expenditures and CIP funds as well as discussed the details of the proposed child care at City Council meetings. City Manager Malin indicated that the new expenditures are those items added to the work plan during the strategic planning session to ensure that these projects can start or come to fruition. He also indicated that there are not many expenditures that carry over that are annually more than $100,000 in that most of the expenditures are one time expenditures to advance the City. He did clarify that even with increased revenues we still have a structural challenge with our finances and expenses, but does not think that anything tonight will add to that challenge.

Mayor Pro Tem Alexander reminded the Council that there is a non-profit organization that can help with park improvements if there are extra funds.
Mayor Rubio requested clarification for the transition fiscal analysis to which Mr. Malin explained that with FORA's current sunset date of 2020 there is a discussion from the transition task force committee, that is looking at the impacts if FORA Sunsets versus if FORA is granted an extension. Both Seaside and Marina have significant land to be redeveloped and have been asked by FORA staff to have an independent assessment of liabilities and potential revenue streams. He recommended that The City Council authorize an addition into the budget of $40,000 to hire and independent financial analysis. The Council agreed.

Mayor Rubio invited public comment on the item.

- A resident acknowledged the people in the audience, who came late in support of agenda item 11A
- Gertrude Smith is thankful that there is a Council Member that would encourage child care to be put in the budget.

On motion by Mayor Pro Tem Alexander and Seconded by Council Member Campbell and passed by the following vote the City Council approved Resolution approving the proposed 2016-17 Mid-Year Budget adjustments as presented and also authorized an additional $40,000 to be added to the budget for an independent analysis for the FORA sunset impact.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

C. ADOPT A RESOLUTION APPROVING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY AS A FOUNDING MEMBER AND APPOINT A REPRESENTATIVE AND AN ALTERNATE TO THE MONTEREY BAY COMMUNITY POWER AUTHORITY BOARD OF DIRECTORS

Deputy City Manager Hodgson spoke to the item reporting this is the third time this item has come before the Council and this time the recommendation is to join the JPA, accept the agreement and appoint a representative and an alternate to represent the City going forward. If approved the City Council will then adopt an ordinance, to complete the process. Representative Jeanie Johnson presented a brief report reminding the Council of the purpose of the program and that it is the number one initiative that can lower greenhouse gases for our local jurisdictions. She reminded the Council of the successful technical feasibility study, 29 public meetings and experts and consultants that report that the program has the ability to double our renewable rate parity with PG &E, create surplus revenues in our region, and become self-sufficient in our region within a few years with regards to energy production. We will have control over local rates and present a choice in our power for local residents. On question, Ms. Johnson indicated that 12 cities and four counties are in process of adopting this agreement. Ms. Johnson answered questions from the Council.

The Council questioned Monterey County's recent discussion about the item, the necessary approval deadlines the actual generation of power, who will pay the transport costs and what types of jobs could be generated through this program. Tim Flannigan for the Monterey Regional Waste Management District spoke to his expertise as part of the Technical Advisory Committee and responded to the utility rate and how to sell it, speaking to the MRWMD's ability to sell power back to the grid that is generated but is currently only allowed to be sold on a spot market yet MCCP would allow them to sell the excess power back to the grid. Mr. Flanagan reiterated the program goals; to increase the amount of renewable power, reduce the amount of greenhouse gas produced (decreased by 30%) and to make sure we are at or below the rates currently paid by PG&E. This program secures a long term energy market to sell into, so that regionally we can create stability projects. Mayor Rubio questioned what happens if PG&E can reduce rates two which Ms. Johnson indicated she hopes so, as it would create competition, and hopes that procuring on an open market place would create a similar market conditions and can be flexible and effectively compete in the market. Mayor Rubio questioned the exit fee and she indicated that yes, there is an exit fee for those that will be pulling out, as is allowed by the CPUC. The CCES that currently exist absorb their fees.

Ms. Hodgson indicated that the initial startup cost for the CCE will be funded by a bank loan, $2.5 - 3 million dollars. The share of that is dependent upon the agencies that join and the resolution, if approved as presented, caps the City of Seaside's liability cap at $175,000. The initial tables look like it will be a total of $137,000 of potential liability. Mayor Rubio asked about those that have signed the letter of intent as well as the actual JPA agreement to which Ms. Johnson felt confident that out of 21, 12 have dedicated interest and intent to move forward. Mayor Rubio expressed interest to wait until more cities have joined and requested consideration to wait until the March 2, 2017 meeting.

Mayor Rubio invited comments from the public.

- A Citizen indicated he was opposed to the project because they are taking the PG& E client base and that there is cap and trade but more people will be hurt by higher prices. He believes that government likes to take over businesses.
  Ron Cheshire, Monterey Santa Crus Building Construction trade council believes that it is a good concept and is still looking at it. It is good for the environment but there are other issues presented by other cities and encouraged taking time to consider all the impacts of the action.
- Dan Nelson, the Romero Institute, partnership with the Catholic Diocese of Monterey relayed the strong support of the Catholic Dioceses in support of this item. Labor has been given every opportunity to participate and MCCP agrees with the interest of labor. We do need to move forward as it is a fragile coalition. If Monterey County gets their way, Seaside's voice and strength is reduced as this is written to protect the voice of the smaller cities. To slow it would be counterproductive.
- George Riley spoke in support of the previous speaker and indicated we have learned many lessons since FORA was formed. This provides leadership on local jobs, local control and local revenues. Local, not regulated by the PUC. Please do not pass the opportunity up to bring the power back locally.
- Catherine Rivera supported Seaside being a leader in this effort and not a follower. She believes that environment is important, take an interest as the JPA is formed.
- Mary Shakore spoke to being a volunteer with the measure Z campaign. She believes that there is a change happening here in Monterey County. Your citizens want to see the region become an environmental leader and spoke in support of joining MCCP.
- Kay Cline is proud of Seaside for the things we are starting to do including improving parks, improving Broadway, a great dog park, and that we want to be a sustainable community. PG&E already offers a choice but this provides more control over cost and power choice. Be a leader. She spoke in support of capping our investment at $175,000.
- Monterey County Supervisor Jane Parker spoke to her perspective; she serves on the alternative energy committee and has been receiving reports on this process. She serves on the WMD board and helped task MRWMD Staff to get to this moment. Spoke to the new supervisor who pushed to have extra votes on the JPA. That topic has been explored and the governance structure was discussed. The JPA is going forward that is being presented and she urged supporting the item and that it is important to be at the table as a founding member.
- Alexander Burk spoke in support of the item and was glad that this action is proactive and positive and not reactive. She believes that 62% of Seaside voting yes on measure Z shows the community is in support.
- Juan Martines, Policy Coordinator with the Romero Institute spoke to the ability to work with people with different languages and cultures who typically focus on the pursuit of money and opportunity and sometimes the environment takes a back seat. This is going to bring money and support the environment.
- Alicia Ragland spoke to being a third generation peninsula resident and as a community we are resilient and adapt to changes and this is a positive change for the Community. She spoke in support of maintaining the Care program from PG&E and are considering vulnerable members of the community.
- Audra Walton spoke in support of the item and encouraged the Council to adopt. As a renter, she cannot make the capital investments and she believes that the opportunities with renewable energies are expanding.

- Brennen Jensen co-chair of the Monterey Bay Regional Climate Action Compact, spoke representing the 21 jurisdictions that have come together for meaningful action against climate change. There have been 28 public meetings and are all available online, 90 public outreach events over the last 3 years, and the results of the process are tremendous. This is the single most important thing that can be done to reduce emissions and it is exciting that this can turn an ongoing expense into a revenue source. This CCA will be able to offer non profits, schools and businesses the ability to develop renewable energy. Encouraged being the first on the peninsula.
- Wes White spoke to the CCA and the charter update in June to be able to contract with the CCA. If you are worried that The County or Salinas are not interested, don't be. They want to be an apart to fit, they just want the power structure changed. Solidify it and thwart the imbalance.
- Karen Arajo was excited for this item, and encouraged support. Seaside can be the leader it is setting out to be. She loves Seaside. She thanked the Council for considering.
- Felix Bachofner questioned if residents could purchase power from the CCA if the City does not elect to join he questioned the likely impact of the utility user tax and requested further explanation of the who would pay the exit costs.

Ms. Johnson indicated that only customers within the jurisdictions will be eligible to purchase power from the JPA. They will all be offered the same products and services and same choices throughout the approved jurisdictions. Speaking to the Utility tax, she indicated that PG&E will still do the billing, the utility tax will still be included on the bill and there are no exit costs from MCCP.

Mayor Rubio questioned if we don't act tonight we would be in a lessor status, to which she said no Seaside would still be a founding member. She noted that the City and all members have the ability to back out if the RFP does not come back as predicted by the analysis. She also explained that Job creation was actually the jobs to be created if there were alternative energy projects generated from this CCA. Council Member Pacheco questioned why staff recommends this action to which Mr. Malin said it provides the opportunity for consumer choice, helps comply with state mandates for greenhouse gas emission reduction and provides the opportunity for Seaside to be a founding member and be allowed to have a voice in how it goes forward, while limiting the total credit liability.

Mayor Rubio expressed that he is not interested in voting tonight. Council Member Campbell spoke to the projected city hall solar panels which could then generate more revenue for the city and did not believe there was any harm adopting the resolution today, as it takes the ordinance to obligate. Council Member Jones spoke to competition being healthy for the market and spoke in support of Seaside leading.

On motion by Council Member Pacheco and seconded by Council Member Campbell and passed by the following vote, the City Council approved Resolution approving membership into the Monterey Bay Community Power Joint Powers Authority as a Founding Member and directed staff to prepare an ordinance for approval at the March 2, 2017 meeting.

RESULT:	**Approved**
MOVER:	Council Member Dave Pacheco
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

Speaking on the second Council Member Campbell spoke to the benefits of joining the program and the importance of the timing for joining. Basic premise: clean energy at the cheapest price, for everyone. Not terribly concerned about the governorship. The small investment for huge impacts.

10. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

Council Member Pacheco requested to be agendized is a study session for the Sanctuary City to include the goals, possible impacts, federal and local impacts. He spoke in support of the new mobile skate park at the Youth Resource Center. Council Member Jones requested to k now when 11a will be agendized. City Manager Malin responded that if the Council wants to agendize the topic of Sanctuary Cities with the understanding that staff only will have three days to assemble the staff report by March 2nd. Otherwise it can be placed on the March 19th agenda. Ms. Jones requested the March 2, 2017 meeting for the Study Session. Council Member Campbell spoke to the impact to our city for the "Day without an Immigrant" and spoke with encouragement that it was very supported in our community. He expressed concern regarding Resolution 17-110 regarding agendizing items. He request that we have a study session regarding Sanctuary city and requested that we agendize it for action. Mayor Pro Tem Alexander reported on attending the AMBAG meeting on Wednesday and reported that the Public Safety Academy at Seaside High is progressing and will provide such an outstanding feeder program into the law enforcement field. Mayor Rubio spoke to the meetings attended representing the City including a trip to Washington DC to lobby with the BRAC office negotiation and to discuss the scope of work for what still needs to be done with the ESCA clean up. The scope of work was accepted, and now dollar amounts will be attached. He then reported that MCWD application for the pipeline as part of the PWM project was denied by the State, impacting the schedule. As a result the State will increase the grant amount and add additional grant moneys to cover the work, but since MCWD has 90% of drawings completed, MRWPCA will have to buy that work product and rights of way and easements. Still outstanding is the question of ownership.

11. COUNCIL MEMBER REQUESTS

Mayor Rubio explained how this section will be handled to decide, and not discuss items for placement on future City Council Agendas. City Attorney Freeman disagreed with the policy. The City Council and City Manager and City Attorney discussed the importance that the City Manager keeps the Council informed of the work plan for the city. City Manager Malin agreed that going forward he will make reports under Council Comments of the staff work plan for future agenda items.

A. DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE HOW SEASIDE CAN BECOME A SANCTUARY CITY - (COUNCIL MEMBER JONES)

B. DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE BECOMING A PROGRAM PARTNER WITH SHARED HOPE INTERNATIONAL (COUNCIL MEMBER ALEXANDER)

C. DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE JOINING THE MONTEREY BAY COMMUNITY CHOICE AGGREGATE POWER PROGRAM (COUNCIL MEMBER CAMPBELL)

12. ADJOURNMENT

On motion the meeting was adjourned at 11:05 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk

Ralph Rubio, Mayor